

# Schroder International Selection Fund

## Italian Equity

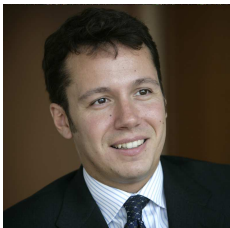
### A Accumulation Share Class

#### Investment Objective, Policy and Risk

To provide capital growth primarily through investment in equity securities of Italian companies.

The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Investments in equities are subject to market risk and, potentially, to currency exchange rate risk. This fund may use financial derivative instruments as a part of the investment process. This may increase the fund's price volatility by amplifying market events.

#### Fund Overview

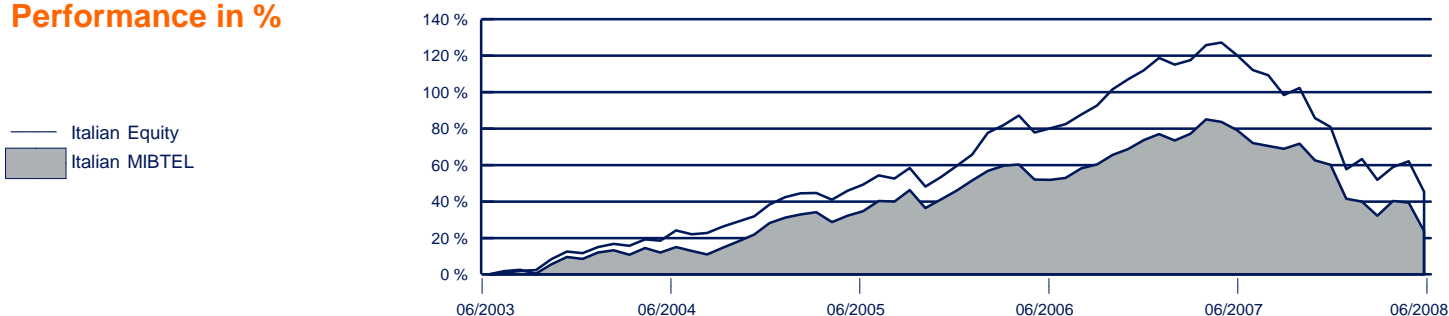


Angelo Manca

The fund invests in a broad range of Italian companies; we favour small and medium size companies as we feel these offer the best value and growth opportunities in the longer term. We continue to find a wide range of value opportunities in the Italian market, particularly in areas which are consolidating and look to invest for the long term in businesses with sustainable competitive advantages and cash generation.

Our investment team exploits market inefficiencies through extensive, rigorous and proprietary research aimed at identifying mis-priced opportunities. Fundamental research is the foundation of all stock selection decisions. The key characteristics we look for in stocks include poorly researched companies, which are therefore undervalued, or unseen anomalies in underlying businesses (for example, a change in management implying previously under-exploited assets will be more efficiently utilised) and changes in corporate structure.

#### Performance in %



| Performance in % | 3 months | 1 year | 3 years | 5 years | Beta | Annual Volatility (%) |
|------------------|----------|--------|---------|---------|------|-----------------------|
| Italian Equity   | -4.3     | -34.0  | -2.6    | 45.3    | 0.88 | 13.97                 |
| Italian MIBTEL   | -6.3     | -30.9  | -8.1    | 23.8    | ---  | 14.17                 |

| Discrete Yearly Performance in % | Q2/2007 - Q2/2008 | Q2/2006 - Q2/2007 | Q2/2005 - Q2/2006 | Q2/2004 - Q2/2005 | Q2/2003 - Q2/2004 |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Italian Equity                   | -34.0             | 22.2              | 20.7              | 20.3              | 24.1              |
| Italian MIBTEL                   | -30.9             | 17.9              | 12.7              | 17.2              | 15.0              |

Past performance is not a guide to future performance and may not be repeated.

All fund performance data are on a NAV to NAV basis, net income reinvested. Data is not available for the time periods with no % growth stated. In case a share class is created after the fund's launch date, a simulated past performance is used, based upon the performance of an existing share class within the fund, taking into account the difference in the Total Expense Ratio.

Source: Schroders

#### Top 10 Holdings in %

| Holding                           | % NAV     |
|-----------------------------------|-----------|
| 1. ENI SpA                        | 10.1      |
| 2. Gemina                         | 8.2       |
| 3. Intesa Sanpaolo                | 8.0       |
| 4. Unicredito Italiano            | 7.2       |
| 5. Management E C                 | 7.0       |
| 6. Aeroporto Venezia              | 5.0       |
| 7. Enel SpA                       | 4.8       |
| 8. Tenaris                        | 4.7       |
| 9. Banco Popolare                 | 3.5       |
| 10. Compagnie Industriali Riunite | 3.0       |
| <b>Total number of holdings =</b> | <b>44</b> |



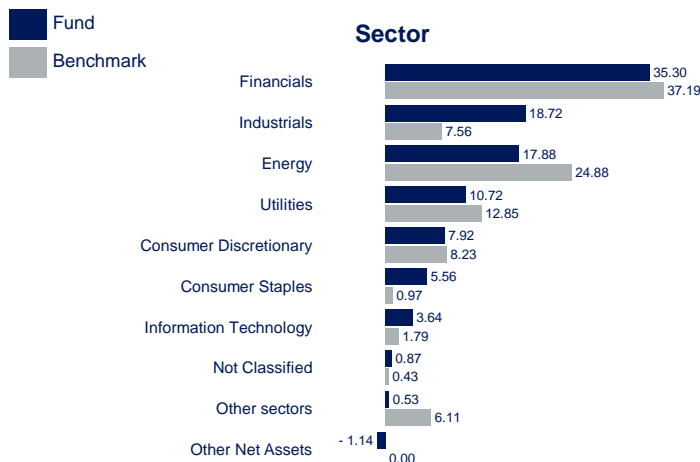
Schroders

# Schroder International Selection Fund

## Italian Equity

### A Accumulation Share Class

#### Asset Allocation in %



Other Net Assets is comprised of pure Cash (Cash in Bank), Payables and Receivables, Unrealised Profit and Loss on Forwards/ Futures/ Swaps & Options and short term investments with 1 month or less to maturity.

-1.10% of the fund was held as cash or short term investments with 1 month or less to maturity. Any negative cash position represents borrowing of a temporary nature to cover timing differences on trade settlements.

#### Key Information

Morningstar Ratings are sourced from Morningstar.

S&P Fund Management Ratings are sourced from S&P.

|  |   |
|--|---|
| <b>Fund Launch Date</b>                | 03/05/1996  |
| <b>Total Fund Size (Million)</b>       | EUR 184.3   |
| <b>Fund Base Currency</b>              | EUR   |
| <b>S&amp;P Fund Management Ratings</b> | -   |
| <b>Morningstar Rating</b>              | ★★★★  |
| <b>Reuters</b>                         | LU0106238719.LUF  |
| <b>Bloomberg</b>                       | SCHITAA LX  |
| <b>Initial Fee</b>                     | 5.26 %  |
| <b>Annual Management Fee</b>           | 1.25 %  |
| <b>Minimum Investment Amount</b>       | EUR 1,000 or USD 1,000 or their near equivalent in any other freely convertible currency. The minimum subscription amount may be waived at the Director's discretion. |
| <b>Investment Manager</b>              | Schroder Investment Management Limited, 31, Gresham Street, London EC2V 7QA, United Kingdom   |

Third party data are owned by the applicable third party identified above and is provided for your internal use only. Such data may not be reproduced or re-disseminated and may not be used to create any financial instruments or products or any indices. Such data are provided without any warranties of any kind. Neither the third party data owner nor any other party involved in the publication of this document can be held liable for any error. The terms of the third party's specific disclaimers are set forth in the Important Information section on our website [www.schroders.co.uk](http://www.schroders.co.uk).

The Schroder ISF Italian Equity is not within the scope of the European Union Directive 2003/48/EC (Taxation of Savings Income in the Form of Interest Payments), as implemented in Luxembourg Law. This document does not constitute an offer to anyone, or a solicitation by anyone, to subscribe for shares of Schroder International Selection Fund (the "Company"). Nothing in this document should be construed as advice and is therefore not a recommendation to buy or sell shares.

Subscriptions for shares of the Company can only be made on the basis of its latest prospectus and simplified prospectus together with the latest audited annual report (and subsequent unaudited semi-annual report, if published), copies of which can be obtained, free of charge, from Schroder Investment Management (Luxembourg) S.A., 5, rue Hohenhof, L-1736 Senningerberg, Luxembourg. The Company is a Luxembourg-registered UCITS recognised in the UK under Section 264 of the Financial Services and Markets Act 2000. There will be no right to cancel any agreements to purchase shares under section 6.7 of the UK Financial Services Conduct of Business Sourcebook. All or most of the protection provided by the UK regulatory system does not apply to investments in the Company and compensation will not be available under the UK Financial Services Compensation Scheme.

In accordance with the current prospectus, other than for Schroder ISF Global Property Securities, Schroder ISF Asia Pacific Property Securities, Schroder ISF European Defensive and Schroder ISF Middle East, the Company will seek UK distributor status for all distribution A and C shares and I shares of Schroder ISF Taiwanese Equity.

This document is issued by Schroder Investment Management (Luxembourg) S.A., 5, rue Hohenhof, L-1736 Senningerberg, Luxembourg. Registered No. B 37.799. Approved for issue in the UK by Schroder Investment Management Limited, 31, Gresham Street, London EC2V 7QA. Authorised and regulated by the Financial Services Authority.

Schroders has expressed its own views and opinions in this document and these may change.



# Schroders